



April 27, 2023
9:00 AM to Noon
Hybrid Meeting via
TEAMS and at DMV HQ

Oregon Dealer Advisory Committee Meeting Minutes

Presiding Chair: Gary Sargent

Members Present:			DMV Representatives Present:
Gary	Sargent	Power Sports Representative, Vice Chair	Amy Joyce – DMV Administrator
Shannon	Nil	New Dealer Representative	Linda Beuckens - Program Services Group Manager
Kelly	Martin	At-Large Representative	Judith Moore - Business Regulation / Oregon Dealer Services Manager
Lisa	Larkin	RV Representative	Larry Purdy - Chief of Investigations
Dale	Geiger	DOJ Representative	Danny Lopez – Oregon Dealer Services Manager
Scott	Short	Used Dealer Representative	Tracy Olander - Senior Vehicle Policy Analyst
Brian	Hardy	Auction Representative	Lisa Martinez – Stakeholder Engagement Manager
Susan	Thayer	Office Management Representative	Steve Palomo – Senior Legislative Analyst David Fischer – Operations & Policy Analyst
Bryan	Steward	Used Dealer Representative	John Corbin - Dealer Investigator
Peter	Van Houten	Dismantler Representative	Chuck Hoffman - Business Licensing Program Specialist

Members Absent:		
Mike	Wagner	Tow Company Representative, Chair
Robert	Lanphere Jr	New Dealer Representative
Jeff	Helget	Dismantler Representative
Isabel	Cordova	General Public Representative

Industry Association Representatives Present

Darlene	Stafford	Title Clerk - Guaranty Chevrolet
Jen	Mueller	Vitu
Teri	Medina	Vitu
Dana	Nelson	Vitu

Guest Presenters

Erica Timm, Program Manager, Clean Vehicle Rebate Program, Oregon Department of Environmental Quality (DEQ)

Scott Boardman, Innovation Programs Policy Advisor, Innovative Programs, ODOT

Roll Call

Gary Sargent

Roll was called with 8 of 14 members present for a quorum. Three ODAC members joined later.

Call to Order / Approval of January 2023 Meeting Minutes

ODAC Members

Gary called the meeting to order. Gary moved to approve the minutes. All were in favor. The minutes were approved unanimously.

Oregon Clean Vehicle Rebate Program - EV Rebate Update Erica Timm

Erica reviewed Oregon's Clean Vehicle Rebate Program. There are two types of rebates for electric vehicles (EV).

1. The Standard Rebate is available to all Oregonians and applies to new dealers only. Rebates range from \$750 to \$2,500.
2. The Charge Ahead Rebate is an income-based rebate. People must meet the income requirements of 400% of the federal poverty guidelines. It can be used for new or used vehicles and is a set rebate of \$5,000. It can be stacked with the Standard rebate for \$7,500 on the purchase of a new vehicle.

DEQ has issued almost 30,000 rebates with \$75 million dollars since its inception in 2018.

One of the barriers to using the Charge Ahead Program was applying the rebate after the purchase of a vehicle. Now, people can apply to DEQ before they purchase a vehicle where their information is sent to the Department of Revenue to verify their financial status. Once approved, a voucher is issued by DEQ for a \$5,000 rebate at the time of sale. There is a web site for dealers to validate the voucher.

Currently the Charge Ahead Program is only available for new vehicles but used vehicles should be able to use the voucher system in the future.

As the program has been very successful with demand outpacing funding the rebate program will be temporarily suspended beginning May 1, 2023. Vehicles purchased before or on April 30, 2023, are eligible for the rebate. It is anticipated the program will be reinstated in March 2024.

The rebate processing contractor, The Center for Sustainable Energy, is working with dealers to train them in the process.

Gary asked what the 400% of the US poverty level amount would come to. Erica said it was based on household size. For a person of one it would be just under \$59,000.

Gary asked why they were running out of money. He thought the privilege tax funded it and that it was a constant stream of revenue. Erica said DEQ's Charge Ahead Program receives 45% of the tax, at least \$12 million dollars. This year the Department of Revenue projected they would receive around \$14 million but the projected demand for rebates is much higher.

Gary wanted to know where the 55% of the privilege tax goes. Erica said Connect Oregon.

Erica clarified that those purchasing vehicles May 1, 2023, or later are not qualified for a rebate once the program reopens. Those who purchased a vehicle April 30th or earlier will have 6 months to apply for the program. If there are not enough funds available to rebate them then they will have to wait until 2024.

Dealers can sign up anytime to participate in the program and leave anytime. Erica said they used their dealer outreach teams and publications to notify dealers of the program's suspension.

OReGo – Road Usage Charge Program

Scott Boardman

OReGo is a voluntary pay per mile program. Vehicles are charged for the miles driven as opposed to a fuel tax.

The program is hiring a consultant to work with dealers to streamline and improve the point-of-sale OReGo enrollment process. The consultant will engage with dealers to determine their needs in terms of program education, development of promotional materials and implementing a pilot program to improve point-of-sale enrollment.

There is proposed legislation this session, HB 3297, to make the program mandatory for model year 2028 and later for vehicles rated at 30 mpg and better beginning July 2027.

Shannon asked what percentage of eligible customers currently utilize the program. Scott said it was a modest program so far. They are seeing increased enrollment from highly efficient vehicles, especially EV's. At the beginning of April 2023 there were 878 vehicles enrolled in the program where 476 were EV's.

Through OReGo, the base registration fee is paid by the participant. The enhanced registration fee is waived.

Legislative Update

Steve Palomo

Steve Palomo said that the 2023 session is now half over, and of the 464 bills DMV is tracking about 100 of them are still alive. He reviewed legislative bills that may impact dealers:

HB 2100 create new registration fees by vehicle type and moves all title fees (except salvage) to \$110.

HB 3080 allows dealers that have sold more than 100 vehicles the previous year to transmit certain documents electronically.

HB 2658 imposes additional fees based on carbon emissions.

HB 2787 directs ODOT (DMV) to contact dealers when documentation fees are missing or incomplete.

HB 2790 requires DMV to provide dismantlers and dealers 2 days' notice prior to compliance inspection unless responding to a complaint.

HB 2796 expands all-terrain vehicle (ATV) routes to include county roads.

HB 3001 waives surcharges for Gold Star family registration.

HB 3248 permits the use of Class I, Class III and Class IV ATVs on non-interstate highways.

HB 3297 imposes mandatory road usage charge for owners and lessees of passenger vehicles beginning with model year 2028.

HB 3495 exempts electric vehicles from motor vehicle privilege and use taxes.

HB 3556 requires ODOT to examine issues related to abandoned RV's.

SB 0538 allows state agencies to add a fee or surcharge to credit and debit card payments.

SB 0569 requires televisions in public areas to display closed captioning.

SB 0888 requires persons age 15 and older to carry documentation and a valid driving permit when operating class IV or some class II ATVs.

SB 0889 removes requirement that certain off-road vehicles be equipped with windshield wipers.

SB 0945 imposes tax on electric vehicles between registration dates equivalent to gasoline tax owed on vehicles getting 30 mpg or better.

SB 0780 creates offense of illegal fender height modifications. (Boosted vehicles.)

SB 2456 involves prohibitions on illegal automobile restraint systems.

Steve provided a follow up on bills mentioned at the January ODAC meeting: HB 2801, HB 2818, HB 2819, SB 72, and Senate Joint Resolution (SJR) 2. There has been no movement on these bills although they remain in the legislative process.

Shannon asked if DMV could expand their field office hours back to where they were pre-pandemic. Steve said they are working to fill positions. Amy said DMV is having a hard time with staffing. They have had to close field offices and reduce hours. Most offices are open with the Lebanon office opening soon. The Sandy office remains closed with no projected opening date. DMV must shuffle people between offices to keep them open. Amy added that field office personnel have had to bear the brunt of increasing frustration and anger from customers.

Business Regulation & Oregon Dealer Services Section Update Danny/Larry/Judith

Danny shared that DMV will be installing smart lockers at DMV headquarters and replacing the old dealer boxes with smart lockers at the SE Portland dealer services center. The smart lockers can email the unit when dealer work is dropped off and will email the dealer when there's something for them to pick up. Once emptied, another dealer can use the same box allowing more dealers to use the drop-off service. Almost all dealer centers have a wait list of dealers wanting an assigned drop-off box.

Larry added that the boxes would be located inside the buildings and would be secure.

Danny said by the end of the week of May 7th the North Salem dealer service center counter will be open on certain dates for dealers to receive service.

With the help of Operations & Policy Analyst David Fischer, Dealer Services is creating a database of email addresses which will be used to send one-way communications and DMV updates to dealers.

Danny hoped phone lines to Dealer Services would be up and running within two weeks of the ODAC meeting. There had been some technical issues with the installation. [*Update: The Oregon Dealer Services phone for dealer inquiries went live May 10*]

He also said they were working to make the external web site more functional for dealers to access information they need. It will include Dealer Services' email and phone number.

Larry said the investigators have been very busy. For the first quarter of the year there had been 238 complaints against dealers and dismantlers along with 68 complaints about unlicensed dealers and dismantlers. During the same period, they have conducted 842 inspections and investigations averaging 15 per month which is their benchmark.

Also, during the first quarter of 2023, Business Regulation issued 15 notices of proposed civil penalty and 7 notices of proposed suspensions to dealers and dismantlers. Eight notices of proposed civil penalties were issued to unlicensed dealers.

Gary asked about misleading dealer advertising which leads to consumer confusion on the price of vehicles. Dale Geiger said DOJ looks at advertising all the time. Dealers must sell the vehicle at the price they advertise.

Judith reviewed the 1st quarter statistics for Business Licensing applications, renewals and cancellations received.

Judith shared that the Oregon Transportation Commission (OTC) will be reviewing the proposed administrative rule amendments regarding changes to secure forms at their May meeting. The notice of proposed rulemaking can be viewed on the Secretary of State web site. Due to supply chain issues affecting the secure forms paper supply, DMV issued temporary rules to allow the use of single-page secure forms. If approved by the OTC, the temporary rules will become permanent.

The amended rules will also allow DMV's Secure Forms agents to charge 200% of the form cost in addition to administrative costs associated with distribution.

Scott Short said some newer dealers are getting behind on their flooring and getting into trouble due to the economy shifting. Some are going out of business with customers unable to get titles for their vehicles.

Kelly Martin said from his experience the number one reason businesses fail is the ease of getting into business. Number two is lack of capital, and three is location. He suggested more should be put into the 8-hour new dealer education. He said he did not think any new dealer should be able to obtain flooring for at least one year or the person should at least qualify for it.

Scott said many new dealers do not realize what they are getting into but they think they can make it work. He was not sure that more education would help.

Gary said the economy has shifted. Shannon added that they have reached the highest repossession rate in years.

Darlene Stafford asked how to use the new secure odometer forms. She needed to explain to her staff how to use them. Danny said he would contact her, and they could go through specific examples on how to process the paperwork.

Gary said in some situations such as obtaining plates for their customers, dealers should be able to go to a field office. Currently, they are being turned away. Linda said they are working on a "Dealer Services Strategy" that will meet the dealers' needs. She added that DMV wants and appreciates the dealer's input. Danny said his goal is to create a process that services the dealers well enough that they will not feel the need to go into a field office.

Linda said they are talking with Vitu, DMV's EVR service provider, to explore ways to improve and expand their services along with bringing in more dealers.

Linda Larkin suggested DMV could show some online examples of how paperwork is filled out.

Susan asked how Dealer Services prioritizes the incoming email. Danny said they have a couple people dedicated to read and respond to the emails, but they may get pulled to process paperwork as needed. The emails are generally processed by date. The oldest get pulled first.

Danny stated that EVR-received dealer transactions that have errors take about 65 days to process and 2 to 3 weeks when there are no mistakes. Mailed-in paperwork takes 30 to 35 days to process, and transactions dropped at the dealer center take about two weeks. Responses to missing requirement letters are at about a 25-day turnaround.

Gary asked for an update on the task force (ODAC subcommittee) dealing with online sellers at the next ODAC meeting.

Meeting Adjourned at 11:45 am